

Presentation of SUEZ 2023 financial results

APRIL 18th, 2024

SABRINA SOUSSAN

Chairman & Chief Executive Officer

KATHLEEN WANTZ-O'ROURKE

Chief Financial Officer



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Executive Summary



GROWTH

Strong published revenue **+30% vs. 2022**, **+ 3% organic**



COMMERCIAL EXCELLENCE

Significant commercial successes in France and international in both Water and Recycling & Recovery



OPERATIONAL PERFORMANCE

Rigorous cost discipline leading to **more than €150m savings** and **stable EBITDA margin at 16%**



INTEGRATION

Successful integration of acquisitions: Recycling & Recovery UK, Industrial Waste Specialties and EnviroServ



SUSTAINABLE DEVELOPMENT ROADMAP

Demonstrable progress on sustainability



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A trusted partner for circular solutions in water & waste

KEY FIGURES

160+

years of history

40,000

employees

€8.9bn

revenue 2023

2023 Actual

A CLEAR VALUE PROPOSITION

We put the **passion & commitment** of our teams at the **service of our customers** around the world to enable them...

1

To provide **access to water and waste services** with **resilient & innovative** solutions

2

To **create value** over entire lifecycle of their assets & services

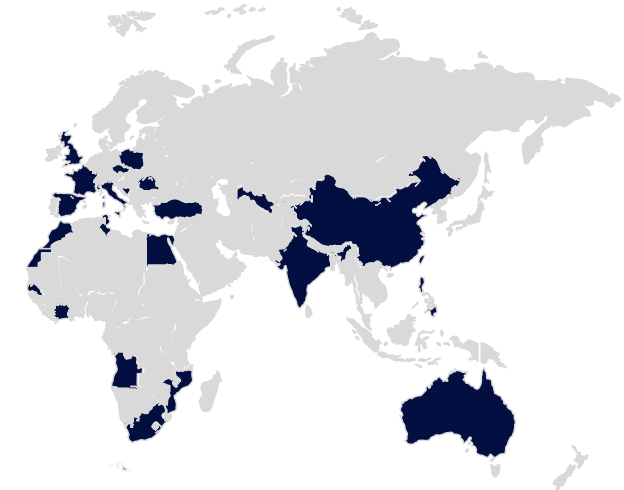
3

To drive the **ecological transition**, together with their end-users

A GLOBAL PRESENCE

40

countries with operations



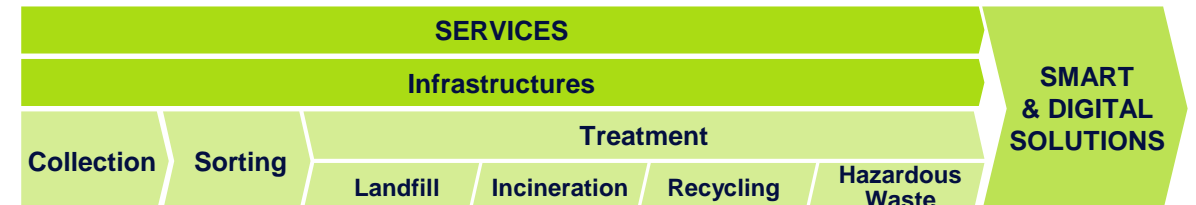
AN INTEGRATED EXPERTISE ALL ALONG THE VALUE CHAINS



STAGES OF THE WATER VALUE CHAIN



STAGES OF THE RECYCLING & RECOVERY VALUE CHAIN



Market fundamentals support SUEZ's ambition

Market of >€2,000 bn

Large & dynamic markets and fragmented competition

Business segments are fully aligned with and boosted by megatrends

Growing ESG requirements generate opportunities

LEADING TO BUSINESS OPPORTUNITIES

- 🌀 New investments in water treatment
- 🌀 **Desalination** to increase water supply
- 🌀 **Resilience** of water infrastructure
- 🌀 **Decarbonation** of industry
- 🌀 Local & decentralized **production of energy**
- 🌀 **Scarcity of raw materials & rare metals**
- 🌀 **Green landfilling**
- 🌀 **International push towards plastic recycling**

INNOVATION, INVESTMENT & LEADERSHIP IN ESG

as key differentiators to **SECURE NEW WINS**



communauté de l'auxerrois



Reminder of mid-term plan pillars*



KEY PRIORITIES

1 Strategy & ESG

2 Commercial excellence

3 Transformation

4 Performance & cost management

5 People & culture

Stringent implementation through rigorous transformation



KEY 2027 TARGETS

4-5% Annual Revenue growth to 2027

EBITDA Growth > Revenue Growth

Continued commitment to Long-term Investment Grade rating

+50% spent in R&D



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2023 achievements



PRIORITIES

ACHIEVEMENTS

1 Integration Management	<ul style="list-style-type: none">Completed integration of Suez Recycling & Recovery UK, Industrial Waste Specialties and EnviroServ	
2 Corporate strategy & ESG	<ul style="list-style-type: none">All 2023 milestones implementedESG roadmap publishedEnergy management team fully operational	
3 Commercial excellence	<ul style="list-style-type: none">Successful contract managementStrong commercial momentum: positive balance of contracts won vs. lostStrengthened business development capacitiesImproved risk management	
4 Operating model implementation	<ul style="list-style-type: none">New operating model deployed	
5 Performance & cost management	<ul style="list-style-type: none">Cost discipline generated €153m savings in 2023 exceeding the initial ambition by +28%Launch of streamlined processes in finance, knowledge management, HR, procurement...Development of Group IT roadmapEnhanced operational excellence	
6 People & culture	<ul style="list-style-type: none">Implementation of new compensation and incentive scheme to align interest with shareholders with focus on value creationPerformance, ownership and cooperation culture: transformation progressing	



Focus 1: Corporate strategy & ESG

Strengthening our leadership position in ESG performance

**AN AMBITIOUS ROADMAP
LAUNCHED IN 2023...**

Sustainable Development
ambitions and commitments
2023-2027



**... GENERATING TRUST WITH FINANCIAL
INVESTORS...**

£600m

inaugural sterling
green bond issuance
in October 2023

€500m

green bond issuance
in November 2023

- Two additional green bonds were issued to **refinance the €1.2bn** acquisition facility raised in December 2022
- **94%** of SUEZ financial debt is green

**... AND YIELDING EXTERNAL RECOGNITION
FOR ITS LEADERSHIP AS EARLY AS 2024**



A **Gold medal**
from **EcoVadis**



“A-” rating from **CDP** for

- Climate strategy and actions
- Water management and SUEZ’s efforts to preserve water resources

**EUROPEAN TAXONOMY
SUEZ 2023 RESULTS
ON TURNOVER**

HIGH AND STABLE ELIGIBILITY

62%

turnover eligible in 2023 (vs. 60% in 2022)

INCREASED ALIGNMENT

38%

turnover aligned in 2023 (vs. 24% in 2022)



Focus 1: Corporate strategy & ESG

Demonstrating progress on sustainability

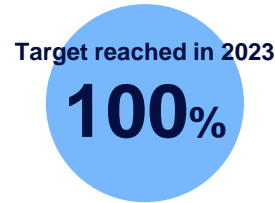
PUBLICATION OF OUR FIRST REPORT TO MONITOR SUSTAINABLE DEVELOPMENT ROADMAP EXECUTION • 2023 KEY TAKEAWAYS*

SIGNIFICANT PROGRESS IN THE DECARBONIZATION

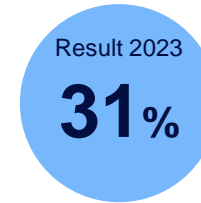
Reduction in GHG emissions from Scopes 1 and 2 of our waste activities**



Electricity self-sufficiency in Europe



Share of sustainable electricity consumption over total electricity consumption in Europe



FOCUS ON ACTIONS TO REDUCE PRESSURE ON NATURAL RESOURCES

Share of priority sites with biodiversity action plan



Share of sites not using phytosanitary products



Turnover generated by solutions identified as growing nature regeneration



PROMOTION OF EMPLOYEES' COMMITMENT, GENDER EQUITY & IMPROVEMENT OF HEALTH & SAFETY

of beneficiaries of SUEZ inclusive structures & job inclusion programs



Frequency rate of accidents



Women in management positions





Focus 2: Commercial excellence

Successful contract management & strengthened business pipeline

€78bn

Numerous tangible opportunities with increased commercial pipeline from €65bn in June 2022 to €78bn in September 2023

~75%

Strong & stable renewal rates in both Water and R&R activities

100%

Loss-making Water France contracts ending in 2023 cured or killed

c.450

Contract variations concluded by Water France



Focus 2: Commercial excellence

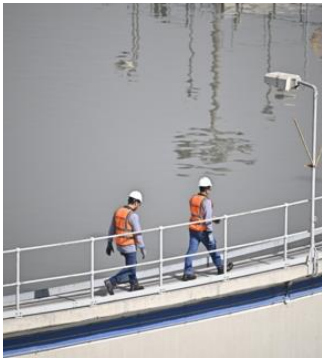
Latest commercial successes



FRANCE

SICASIL

Production & distribution of drinking water for 8 towns (180,000 inhabitants) in the South of France, over 9 years.



FRANCE

NICE

Construction & operations of a next-generation wastewater recovery treatment complex, Haliotis II.



FRANCE

AUXERRE

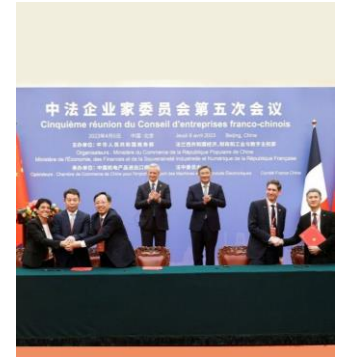
2 major utility contracts to supply the inhabitants of the region with a premium quality drinking water & launch an ambitious network renewal program.



CHINA

WANHUA

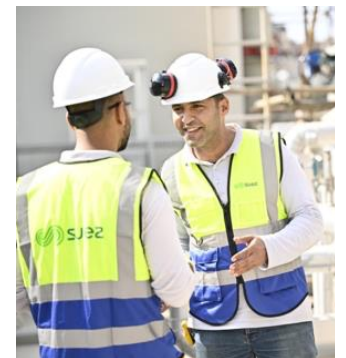
First of its kind turnkey water desalination contract for Wanhua chemical Group.



TUNISIA

SFAX, GABES, MÉDENINE & TATAOUINE GOVERNORATES

First public-private partnership in the Tunisian water industry. 10-years, €200m concession contract, financed by World Bank (DB) & Tunisian state (O&M).



UZBEKISTAN

TASHKENT

Landmark contract (7-year contract, €142m) and strategic partnership with Uzbek authorities in water.





Focus 2: Commercial excellence

Latest commercial successes



UK

M&A

Acquisition of F&R Cawleys (I&C collection & battery recycling).
Founded in 1947, turnover of £37m, >200 staff.



R&R DIVISION



FRANCE

TADEN

20 years contract for the DBFO of an Energy from Waste plant in Taden.



CANADA

PORT-CARTIER

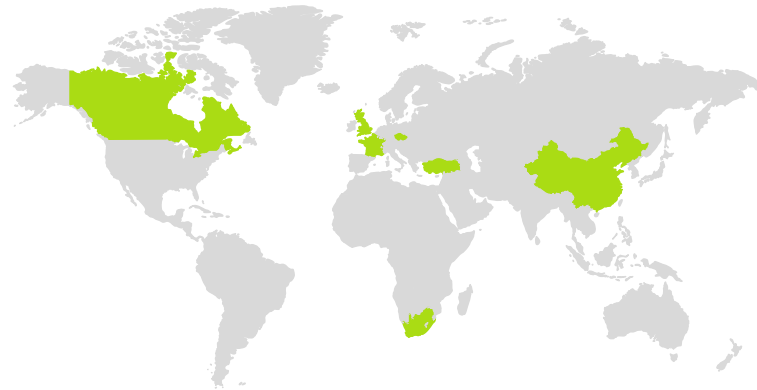
Construction & operation of the biggest biochar plant in North America



TURKEY

WESTERN REGION

Major steel collection contract won for 4 Toyota Tier 1 subcontractor plants, increasing SUEZ automotive industry metal recovery activity by 50% in the country.



CHINA

EASTERN REGION

DBFO to build and operate 6 collection and sorting centers for the recycling of plastic bottles (c. 30kt per year)



CZECH REPUBLIC

BENESOV

Acquisition of 60% of APBB, a leading local biogas producer (25kt treated per year, producing c.8GWh a year).



SOUTH AFRICA

CAPE-TOWN

Acquisition of the Vissershok Waste Management Facility.





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Main events

ACQUISITIONS ENHANCING GROUP BUSINESS PROFILE

SCORI (FRANCE)

- Recycling of hazardous waste into fuel for cement manufacturers
- Effective acquisition of the 66% of Scori in January 2023 and minority interest of 28% in February and March 2023

SOTRECO AND NEXTRI (FRANCE)

- Organic Recycling and Recovery
- Acquisition of 100% of Sotreco and Nextri in July 2023 by R&R France Organic

APBB (CZECH REPUBLIC)

- Anaerobic digestion plant treating municipal and commercial biowaste and producing electricity from biogas
- Acquisition in May 2023 of 60%

DEVON CONTRACT WASTE (DCW) AND F&R CAWLEY LTD (UK)

- Recycling and waste management expanding commercial collections and entering the lithium-ion battery processing market
- Acquisition in October and December 2023 of DCW and F&R Cawley

VISSERSHOK – (SOUTH AFRICA)

- R&R South Africa
- Acquisition of the residual 50% in October 2023

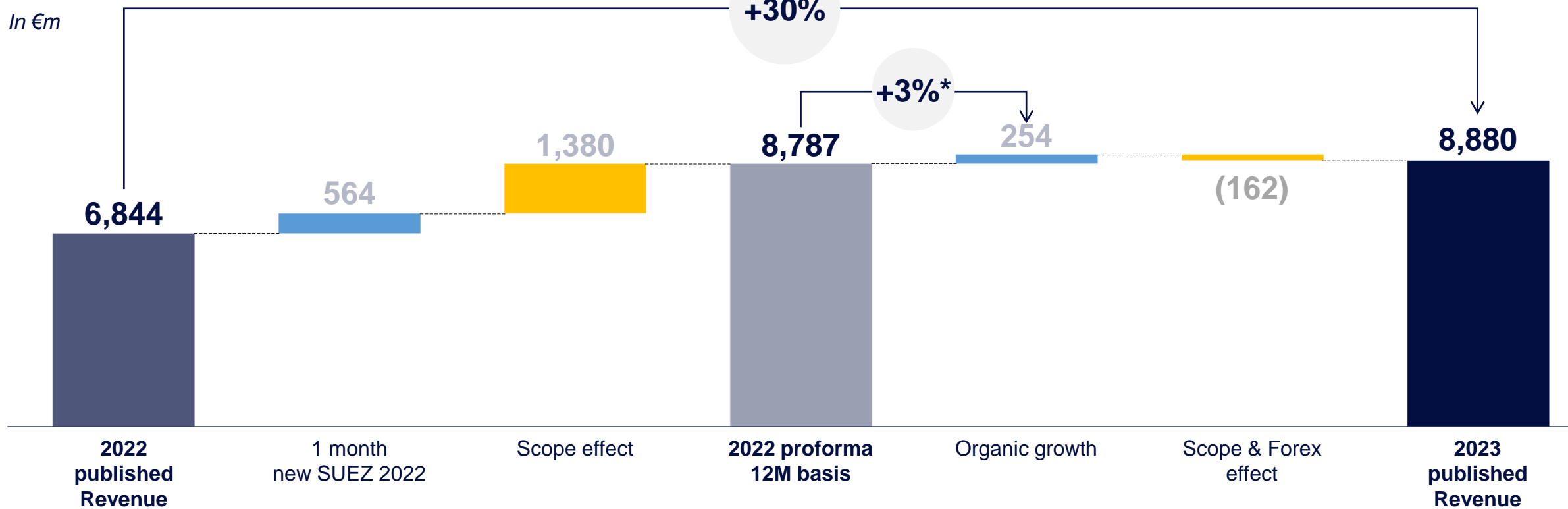
DISPOSALS

- Disposal of **Qatar, Oman and Mexico** accounted for as Assets held for sale last year
- **Smart Environmental Solutions:** Disposal of the entities Latis Scientific and DETS, part of the Digital business in the UK, in October 2023

OTHER EVENTS

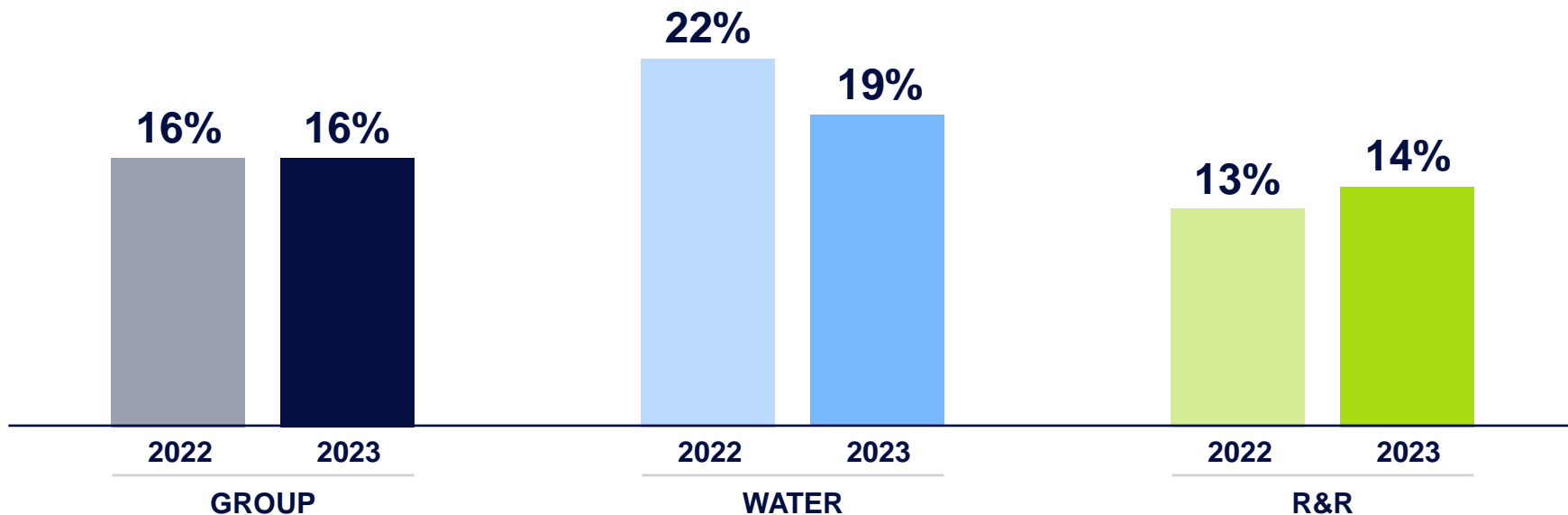
- **Bond issuances:** Green bonds of £600m in October 2023 and €500m in November 2023
- **Implementation and realization of employee sharing plan Go SUEZ:** capital increase of €97m in January 2023
- **Payment of the price adjustment and the earn out related to Veolia transaction:** €405m in total paid in March and June 2023

≡ Solid FY23 revenues



- ⊕ Positive price indexation
- ⊕ Increase in electricity prices
- ⊕ Coming into force of several projects in International Water activities in Central Asia and Africa
- ⊖ Water volumes impacted by adverse weather conditions
- ⊖ Lower landfill volumes as the business model is transitioning to more recycling and energy from waste

Stable profitability in a challenging environment



WATER ACTIVITIES

- France
 - Revenue impacted by **strong price increase (+8%)** counterbalanced by the decision of **Bordeaux** municipality to internalize water management and **adverse weather conditions** impacting water consumption (-3%)
 - Margin impacted by **high inflation** particularly on energy cost which will be recovered with a lag
- Good progress on **international contracts**

RECYCLING & RECOVERY ACTIVITIES

- Revenue and margin increasing with the **integration of acquisitions in UK and Hazardous Waste activities**
- Benefitting from **price increase and energy prices**
- Growth **Hazardous Waste activities**

BUSINESS MIX

REVENUES 2023



EBITDA 2023



≡ Overcoming the volatility of energy markets

CHALLENGING ENVIRONMENT LED TO INCREASED ELECTRICITY COSTS IN 2023

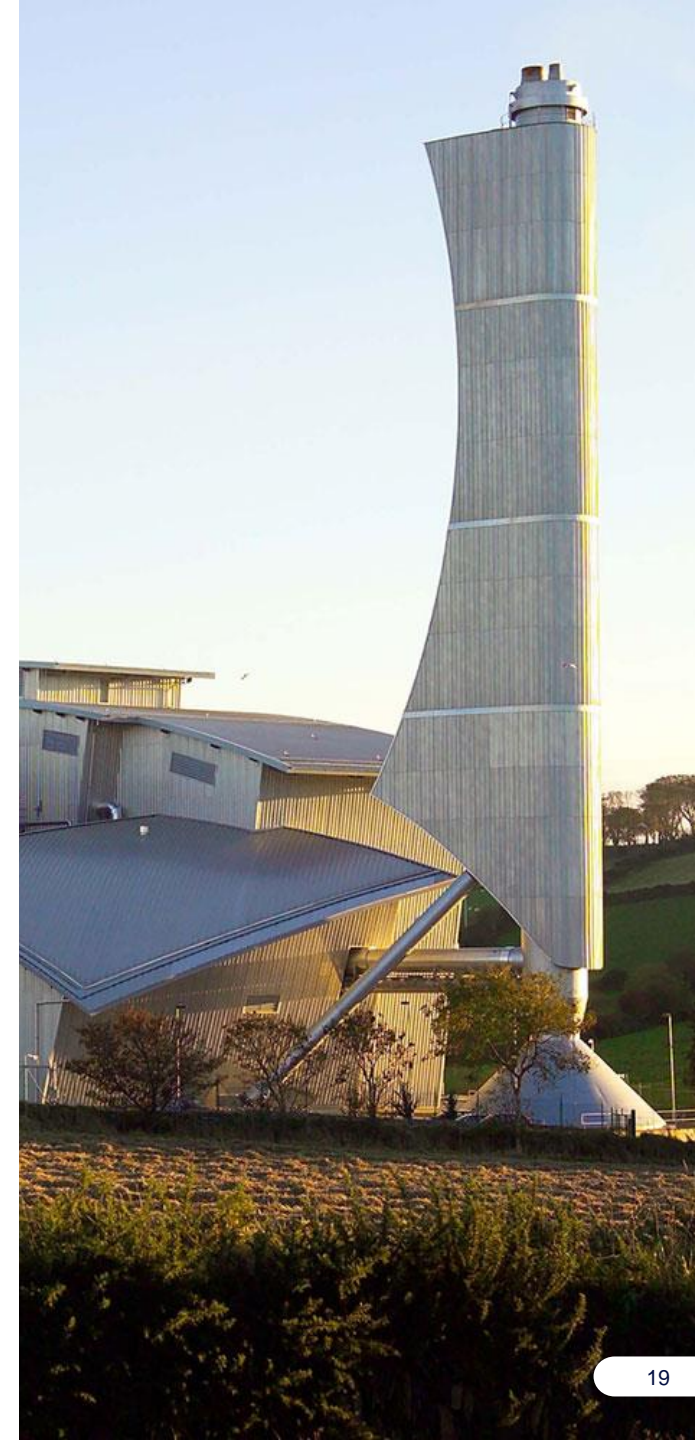
2 main effects impacting 2023

- Lag effect to pass-through inflation in Water France
- Negative hedging effect in 2023:
electricity revenues increased, but at a slower pace than electricity costs

MITIGATION MEASURES

Measures were put in place throughout 2023 to address these challenges limiting impact on 2023 and preserving future years

- 1 New rigorous electricity hedging strategy
- 2 Signature of long-term Power Purchase Agreements (PPA)
- 3 Launch of SUEZ's solar projects on landfills
- 4 Pursue exchanges with customers and suppliers to adapt indexation formulas
- 5 Update cost base in new bids to preserve future margins



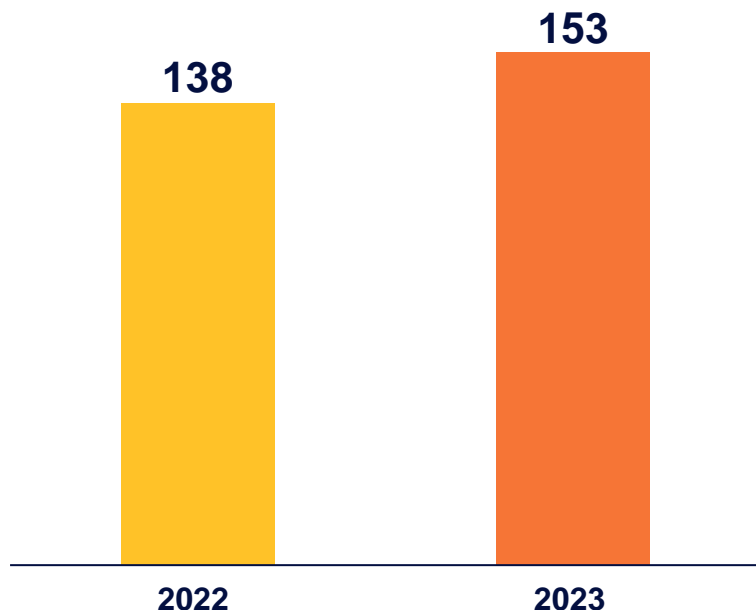
Strong cost discipline

€153m achieved in 2023 by SUEZ Performance & Operational Transformation (SPOT)

PERFORMANCE PROGRAMME SPOT

Evolution of SPOT performance gains between 2022-2023

In €m



SPOT is designed to support our mid-term ambitions.

Our key priorities:

Operational efficiency

- Best practices and benchmarking
- Monitoring
- Transformation
- SUEZ Way lean process

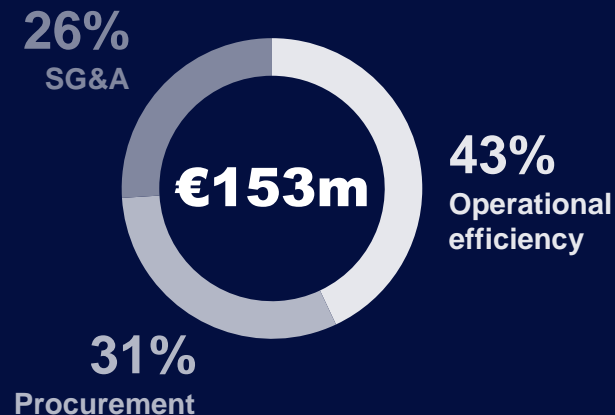
Procurement

- Procurement Boost program
- Beating inflation

SG&A

- Close link to the new operating model
- Process rethink

2023 SPOT ACHIEVEMENTS

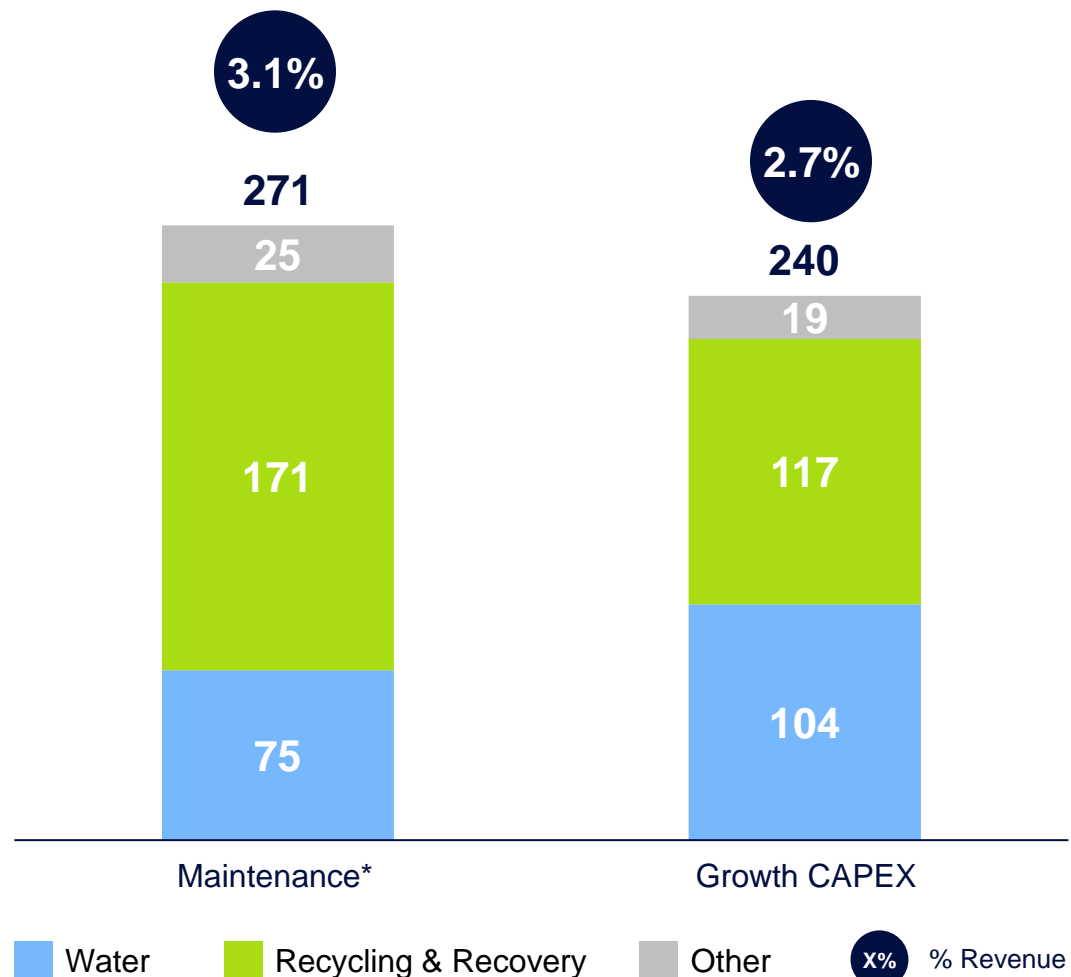


SPLIT BY ACTIVITY



≡ CAPEX investments to prepare future growth

Total CAPEX of €511m i.e. 5.8% of total revenue



WATER

- Investing in **new water production and treatment plants** in France and international

RECYCLING & RECOVERY UNITED KINGDOM

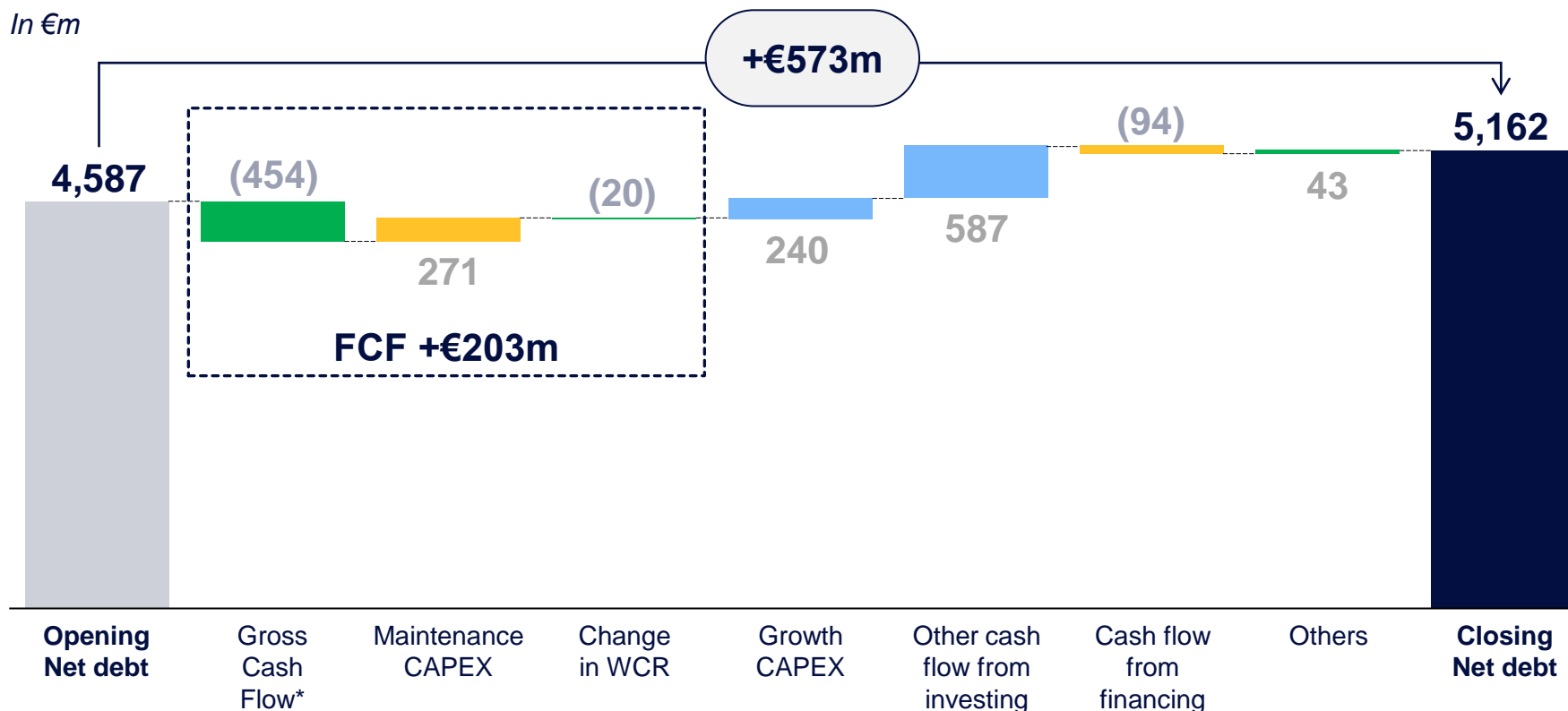
- Investing in the **transition of the business model from landfill to more recycling** (plastic, sorting) and energy from waste (new EfW capacities, SRF plants...)

OTHER

- Investing on **IT/Digital** and **R&D**
- Strict approval process with investment committee** focusing on value creation, risks/rewards balance and cash generation

Combining deleveraging with growth investments

In €m

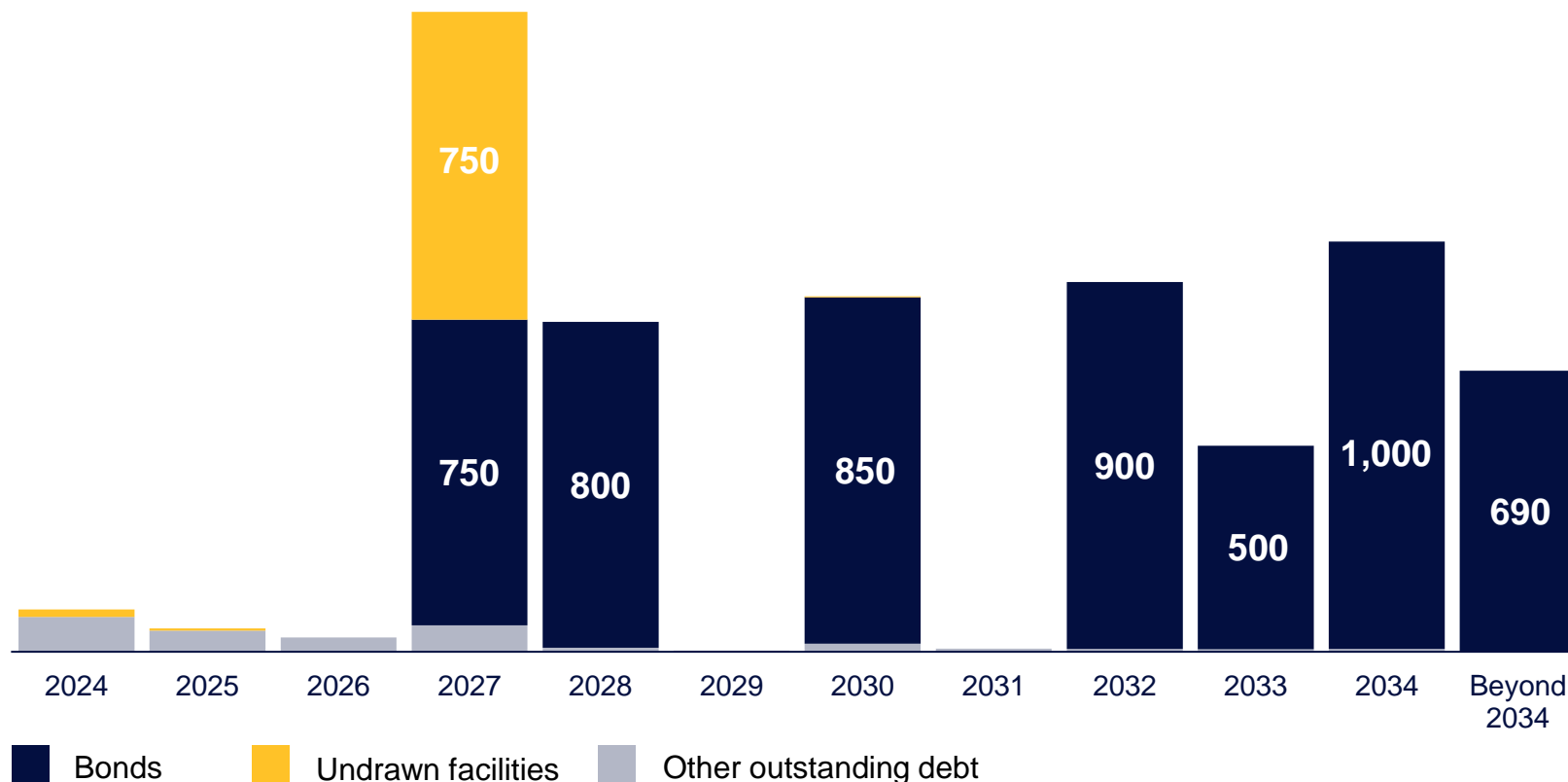


In €m	2022	2023
Net Debt	€4,587m	€5,162m
EBITDA	€1,109m	€1,386m
Leverage ratio	4,1x**	3,7x
Leverage ratio (Adj. for earn out and price adjustment for Veolia)		3,4x

- Net debt is increasing due to the payment of the earn-out and price adjustment (circa €400m) related to the acquisition of the new perimeter of SUEZ and 2023 acquisitions
- FCF representing 2.3% of consolidated revenue
- CAPEX increase to support growth and acquisitions (DCW, Cawleys, Vissershok, Sotrecos and Nextri, Scori minority interest) and Δ -WCR mainly thanks to a strong cash collection in particular in international activities

Debt maturity and liquidity

In €m



Gross Financial debt as of 31/12/23*	€5,788m
Cash and short-term liquid investments	€1,204m
Undrawn revolving credit facility	€762m
Total liquidity	€1,966m

*Total Financial debt excluding amortized costs and derivatives

- Smooth maturity profile
- First refinancing need in 2027
- No covenant (bonds + undrawn facilities)

INVESTMENT THESIS



SUEZ Investment thesis remains unchanged

- **A global and diversified industry leader** in Water and Waste with more than 160-year experience and market leading position on essential services
- **Strong alignment with mega-trends** thereby offering potential for **sustained long-term growth**
- **A very fragmented competitive space, with high barriers-to-entry** (regulation, CAPEX-intensive, technology) and a **premium for local customer intimacy**
- **Resilient financial profile** supported by stable and long-term cash generation
- **Ambitious strategic plan aiming at generating sustainable EBITDA growth through operational and commercial excellence, as well as customer centricity**
- **ESG as key lever for both differentiation against competitors and internal transformation**
- **World-class R&D, joint investments, as well as commercial excellence leading to high customer retention**
- **Experienced management team supported by experienced shareholders**

“Water Company of the Year” award winner at the 2024 Global Water Summit

For the water company that made the most significant contribution to the development of the international water sector in 2023

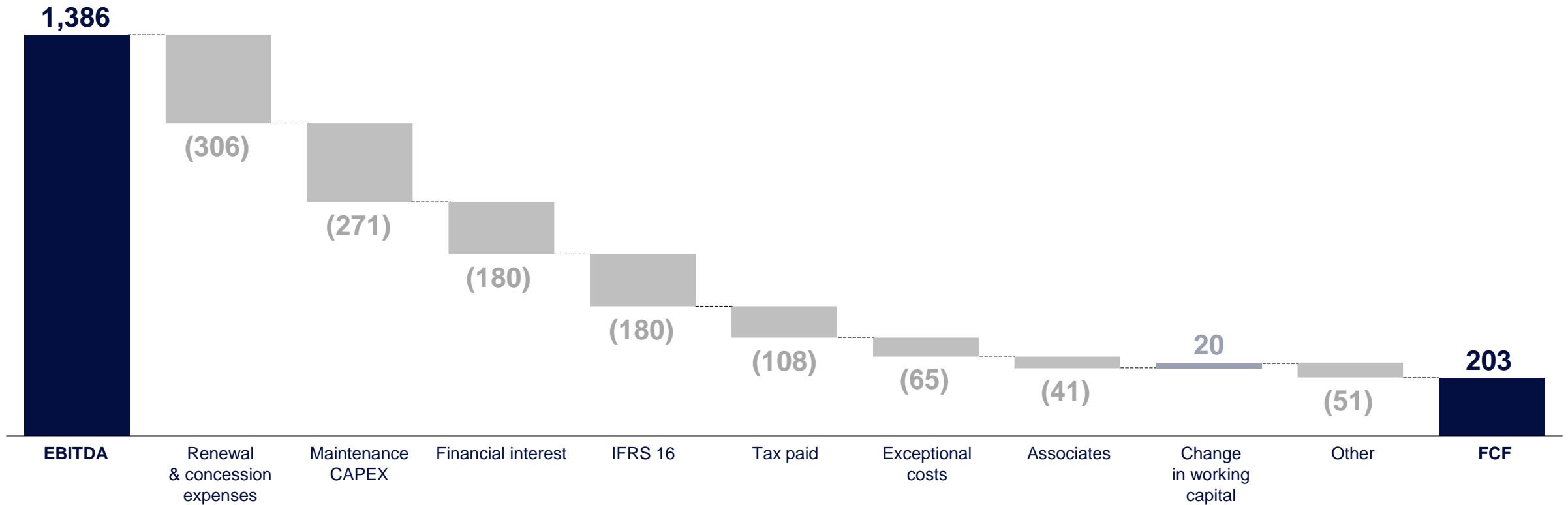


APPENDIX



CREATING CYCLES. **FOR LIFE.**

EBITDA to Free Cash Flow



- Exceptional costs in relation to reorganization structure in France and restructuring costs in Mexico
- Tax paid: in France mainly due to tax cash out from SUEZ SA to SUEZ Holding, the rest is linked to international entities
- Increase in interest costs related to the full impact of the bond issuance in 2022
- Other includes mainly employee compensation schemes